

RATES HARDSHIP ASSISTANCE

1. PURPOSE

- To ensure ratepayers in disadvantaged circumstances and seeking rate relief are given the opportunity to present their case.
- To provide policy for decisions made in accordance with Section 170 of the *Local Government Act 1989*. Council may defer in whole or part, the payment by a person of any rate or charge, which is due and payable on the grounds of genuine financial hardship.
- To provide policy for decisions made in accordance with Sections 171 and 171A of the *Local Government Act 1989*. Council may waive the whole or part of any rate or charge or interest on the grounds of genuine financial hardship.
- To provide policy for decisions made in accordance Section 172 of the *Local Government Act 1989*. Council may exempt any person from paying the whole or part of any interest either generally or specifically.

2. OBJECTIVES

- To ensure ratepayers experiencing genuine financial hardship situations are aware of their legal entitlements regarding rating assistance available under the *Local Government Act 1989* and also make them aware of initiatives developed by Whitehorse City Council.
- To ensure appropriate assistance is granted to ratepayers enduring genuine financial hardship.
- To ensure all applications for rate relief are treated respectfully and in a confidential manner.

3. SCOPE

This policy applies to all applications for relief from any rate, special rate, charge or interest. This policy does not apply to applicants for rebate in accordance Section 169 of the *Local Government Act 1989*.

4. DEFINITIONS

A “**deferment**” of payment of rates, or a special rate or charge, can be provided in whole or part and be specified for a period of time determined by Council. At the discretion of the Rates Administrator, interest may be charged at a reduced rate. When rates are deferred, payment is not required until such time Council sends a Valuation and Rate Notice requesting payment.

A “**waiver**” exempts whole or part payment of any interest or associated costs where applicable. Any waiver is a one off waiver in response to circumstances presented at the time. A waiver does not apply to any rate, special rate or special charge.

A “**payment arrangement**” is made available to any ratepayer who through financial hardship is having difficulties meeting their payment(s) by the required statutory payment date(s). Payments are required periodically for example monthly or fortnightly.

5. POLICY

Council

- Council’s annual Valuation and Rate Notice will carry advice that eligible pensioners are entitled to a rate rebate under the *State Concessions Act 2004* and the *Local Government Act 1989*.
- Council’s annual Valuation and Rate Notice will carry advice that any ratepayer experiencing difficulties in paying their rates should contact the Rates Department to discuss alternative options.
- Periodic payments will be accepted on current rates and charges on the condition that all rates and charges are paid in full by the statutory due date of the lump sum payment. Or, if the 1st instalment is fully paid by the statutory due date; have until the statutory due dates of the three remaining instalments to pay

rates and charges in full. Any ratepayer who carries rate arrears and applies for a payment arrangement must provide financial details.

- Interest will be charged on overdue rates and charges in accordance with Section 172 of the *Local Government Act 1989* and the *Penalty Interest Rates Act 1983*. However,
- In the event of the ratepayer entering into a deferral, payment arrangement or applying for a waiver of interest or other charges due to financial hardship, the Rates Administrator may reduce rate interest by a maximum of five (5%) percent below the current penalty interest rate set under the *Penalty Interest Rates Act 1983*. At the time of writing the penalty rate as set by the *Penalty Interest Rates Act 1983* was ten and a half (10.5%) percent.
- Council will not waive in whole or part any rate, special rate or special charge.
- The Rates Administrator, in agreement with the ratepayer, may refer a ratepayer to an authorised Financial Counsellor should it become evident the ratepayer is not meeting an agreed arrangement or any other reasons that may arise.
- Ratepayers will not be granted rate assistance ie by deferral, payment arrangement or waiver simply because they are over-extended with other financial commitments or if they find it suitable to them because of any other motive or principle.
- A deferral or payment arrangement will be withdrawn on the basis of any of the following conditions:
 - (i) application for annual renewal of deferral of rates regarding ongoing hardship is not received within 30 days of application being sent to ratepayer;
 - (ii) the ratepayer gives to Council any information which is false or misleading in respect of their application
 - (iii) the ratepayer has defaulted in meeting any payment agreements with Council;
 - (iv) it is found the ratepayer has entered into a deferral or payment arrangement because of any other motive or principle other than hardship.
 - (v) the ratepayer advises that the hardship conditions no longer exist;
 - (vi) the ratepayer no longer owns or occupies the land;
- Whole or part of rate interest and/or legal costs may be waived for reasons other than financial hardship where:
 - (i) the late payment is the first occasion upon which a late payment has been received;
 - (ii) the ratepayer has displayed a first-class payment history;
 - (iii) compassionate grounds i.e. family illness, trauma or hospitalisation, death of an immediate family member;
 - (iv) genuine error of rate payment by ratepayer;
 - (v) such other circumstances considered appropriate.
- All matters will be treated confidentially in accordance with the *Information Privacy Act 2000*.

Ratepayer

- Eligible ratepayers in genuine financial hardship will be provided with assistance and an explanation of their entitlements to rate rebates, normal payment options, rate, charge and interest deferral, payment arrangement options, charge and interest waivers.
- Requests for deferral or payment arrangements for rates and/or special rates or charges by reason of financial hardship, must be submitted in writing to Council's Rates Administrator, and accompanied by sufficient written evidence to identify the hardship claim. Council may request further financial details and may also request an interview in order to arrive at its decision.
- Deferrals of rates, charges and interest may only be granted in each rating year. Applicants requiring deferrals for future years will be required to re-apply each year. A renewal form will be sent with the annual Valuation and Rate Notice.
- Ratepayers entering into a payment arrangement with Council will be required, wherever practicable, to meet the agreed arrangement and satisfy the rate debt within the current rating year.
- Ratepayers entering into a payment arrangement with Council will be required to provide financial details should arrears and/or current rates not be paid in full in the current rating year.
- Requests for assistance for whole or part waiver of rate interest and/or legal costs must be in writing, providing sufficient explanation to justify the granting of the assistance.
- Payments of the first instalment received after the statutory due date will be accepted as a first instalment only at the discretion of the Rates Administrator.

Debt Recovery

Debt recovery may commence should the ratepayer default in making their periodic payments as agreed with Council by payment arrangement, or does not comply with or meet the criteria of the conditions stated in this policy.

Incentive for Early Payment of Special Rates and Charges

Council currently offers an eight (8%) percent discount for prompt payment of special rates and charges in accordance with Section 168 of the *Local Government Act 1989*.

Additional Penalties

In accordance with Section 171 and 171A of the Local Government Act 1989, ten (10) penalty units may apply if:

- a person who-gives to a Council any information which is false or misleading in any material particular in respect of an application under this section; or
- fails to notify a Council of any change in circumstances which is relevant to an application or to a waiver granted under this section-is guilty of an offence.

At the time of writing, the value of one (1) penalty unit is \$122.14.

6. RELATED LEGISLATION

- The Local Government Act 1989
- State Concessions Act 2004
- Penalty Interest Rates Act 1983
- Cultural and Recreational Lands Act 1963
- Information Privacy Act 2000
- Charter of Human Rights and Responsibilities Act 2006